App. F. IX-4

Previous References 1934. (97.)

File No. 44-34

Serial Nos. 5, 6, 7, 8

Later References.

PRESERVED

P P-60=E

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. Four

Part B for Jan 35

SUBJECT.

Report of the Comptroller on the operations of the Mysore Govt Three and a Half percent Loan 1951-58

8(87)

No H 6127-88 dt 28.1.35

WD 01965—GPB—15,000—7-7-34

To the Comptroller in Heads of papers in my Secretariat, with

Reviews the Report —

Apl 8/4

G.F. 144-34-5

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT
OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

No. 1095/S.L. Ser 7. *Bangalore, dated* 11th October *1934.*

FINANCIAL SECRET... 11 OCT. 1934 No.....

From

A. N. RAGHAVACHAR, Esq., M.A.,
Comptroller to the Government of
His Highness the Maharaja of Mysore,
Bangalore.

To

S. Shamanna, Esq., B.A.,
Financial Secretary to the Government
of Mysore, Bangalore.

Sir,

With reference to Government Notification No.Fl.3395-G.F. 144-34-2 dated 10-10-1934, floating a 3½% 1951-58 Loan, I have the honour to state as follows:-

I enclose herewith a copy of my letter No.S.L.1054-6 dated 5-10-1934, addressed to the Imperial Bank of India, and a copy of telegram dated 9-10-1934 received from the Bombay Office and also letter No.F.No.07981-53 dated 9-10-1934 from the Madras Office. The Bank has completely agreed to our proposals which are more favourable to us than what we gave to the Bank in 1930, viz., ¼% commission plus remittance charge of an additional 1/16% in certain cases.

2. I enclose herewith a copy of my D.O. Letter No. 1080/S.L. dated 10-10-1934, addressed to the Manager, the Bank of Mysore, Ltd, requesting the Bank to give the benefit of the Bank's Advance Scheme to the public similar to the scheme which we are allowing to Government officials.

3. As the amount of the loan is small and we have holidays from the 15th to the 18th instant, there is a danger of our loan being closed with subscriptions for the most part from outside Mysore alone. To avoid this contingency I have asked all Treasuries in the State to be kept open on the 15th and 16th instant with a view to receive subscriptions to the new loan. I enclose herewith copies of my D.O. Letters to the Deputy Commissioners, Treasury Department and circular to the Treasuries.

4. I have already written to Government in my U.O.No. 1080/S.L. dated 10-10-1934, regarding advertisement for the new

new loan. The expenditure under this head will be kept down as far as possible. Only half column advertisements in three issues of the papers commencing from the 12th will be done.

5. I have arranged to distribute widely all over India copies of our Loan Notifications. I am also taking action to issue necessary circulars regarding procedure to the Banks, Treasuries and Office. In particular I am arranging to get telegraphic information regarding progress of subscription directly from the Head Offices and Branches of the Banks and will take action to close the loan as soon as the total subscriptions aggregate to rupees fifty lakhs. I enclose herewith a copy of letter in this connection to the Imperial Bank of India.

6. I request approval of Government to the action taken by me in these directions.

I have the honour to be,

Sir,

Your most obedient servant,

Comptroller.

S.S.

Letter No.1054-56/S.L. dated 5-10-1934 from the Comptroller, Mysore Government , Bangalore to the Secretary & Treasurer, Imperial Bank of India, Madras.

In continuation of my letter Nos.29-~~34~~/Spl. dated 4-10-1934, regarding the floatation of a cash loan by the Mysore Government early this month, I have the honour to state that as the loan is proposed to be opened for public subscription very early, I am directed to suggest a reasonable remuneration and take your approval by wire for the same.

In para 2 of/the above letter, I have mentioned that this time you are to receive cash instead of the securities. You will therefore be paid the same remuneration i.e., 1/16% paid last time plus the charge of remitting the cash i.e., one anna per cent from places other than Madras and Bangalore, to the credit of the Dewan's Deposit Account. In addition to this you will also be paid the usual brokerage on applications bearing the seal of your Bank which do not bear the seal of other brokers and banks. I hope you will see that these terms are ~~very fair~~ acceptable. I request you to kindly wire your acceptance to the above proposals so that I may take necessary action for the publication of the notification, etc.

"Copy".

D.Lakshminarasimhaiya 11.10.34

Superintendent, S.L. Section.

"Private. Please inform Comptroller, Mysore Government, Bangalore ..... that with reference to his letter No.29/SPL and 1054/S.L of 4th October and 5th October we are willing to undertake the work mentioned at all offices of this Bank on the following terms:

1/16% commission on face value of bonds issued plus 1/16% exchange on transfer of amount(s) from other offices to this office and in addition 1/16% brokerage on applications bearing stamp of this Bank. Out of pocket expenses including postage and Receipt stamps will also be charged for. These terms have been approved by Managing Governors of the Bank who have advised Calcutta and Madras Local Head Offices accordingly".

"Copy".

D. Lakshminarasimhaiya
Supdt. S.L.S 11/10/31.

Letter No. F.No.07981-53 dated 9-10-1934 from the Imperial Bank of India, Madras, to the Comptroller, Mysore Government, Bangalore.

In continuation of our letter No.F7931-53 of the 6th instant I have the honour to advise having sent you the following telegram:-

"Reference our telegram of 6th instant I am authorised to quote 1/16% commission on face value of bonds issued plus 1/16% exchange or transfer of amounts from places other than Madras and Bangalore and in addition 1/16% Brokerage on applications bearing our Bank's stamp (stop). Out of pocket expenses including postage and receipt stamps will also be charged".

which I now confirm.

2. I am accordingly arranging for the necessary instructions to be passed on to all Branches of the Bank and in this connection shall be glad if you will send me a few copies of the Notification etc. and confirm that you will issue these direct to our Branches as usual.

"Copy".

D. Lakshminarasimhaiya 10/34

Superintendent, S.L. Section.

D.O. Letter No.1080/S.L. dated 10-10-1934 from the Comptroller, Mysore Government, to the Manager, Bank of Mysore, Ltd, Bangalore.

I acknowledge with thanks the receipt of your letter No.S/L 43 dated 6-10-1934 stating that you will be glad to cooperate with the Government to make the new loan a success. As on the previous occasions your cooperation is specially requested in respect of the following items. I send herewith an advance copy of the Loan Notification. A further stock of the copies will be sent to you this evening.

2. The Government are allowing to its officials the benefit of an Advance Scheme charging interest on the Advance Account at ¼% less than rate of interest borne by the New Loan as in the past, i.e., at 3¼%. The Bank would, I think, be agreeable to allow advances to its clieniele repayable in easy instalments for purposes of tendering to the new loan, subject to the proviso that the Bankm may, if there is no objection recover interest at 3¼ per cent on the same principle that was adopted on the last occasion and pay to Government 2½% on the subscribed amount should you wish to retain these amounts subscribed pending complete realisation. This will leave you a margin of ¾% to cover charges and some profit to the Bank. I hope you will be agreeable to this. In view of the small amount of the loan now floated, the total amount to be subscribed for under this scheme will have to be limited to rupees ten lakhs. In any case the scheme will have to be closed as soon as the list to the public is closed. As the intention is to give the benefit of the scheme to the public I request you to kindly write to me before hand if the Bank itself wants to subscribe under the scheme.

3. As we expect the subscriptions to be closed within a short period I would be obliged if you could intimate to me your probable total requirements (Advance Scheme and ordinary subscriptions) as it will help me to arrange for closing the lists. This has reference to my personal conversation with you yesterday afteroon.

4. I shall send shortly copies of the forms and

and circulars that may be required in this connection. I shall be obliged for the favour of an early reply.

Yours Sincerely,

"Copy".

D. Lakshminarasimhaiya
Superintendent, S.L. Section.

No. R3395- G.7. 144-34-2. Date: 10-October-1934

Copy

Dr. Akhavein Sabin Engel

Letter No.1084/S.L. dated 10-10-1934 from the Comptroller, Mysore Government, Bangalore to the Secretary & Treasurer, Imperial Bank of India, Calcutta.

I have the honour to acknowledge with thanks the receipt of your telegram dated this day regarding the terms under which the Bank will receive subscriptions to the new Mysore Government Loan. The terms mentioned in the telegram are agreed to. I enclose herewith a copy of the Government Notification floating a 3½% Tax Free 1951-58 Loan for Rs.50 lakhs. A stock of these Notification copies and daily receipt (L3) forms are being sent to you and to your Branches separately.

2. A daily report of subscriptions received in form L3 may be sent to me direct, at close of business each day. Your Branches may send similar advices direct to me and also to you. In the L3 sent by you, you may include the figures of the Branches received by you showing separately the figures of each Branch for each day received by you since the previous report was sent and also the total progressive figures received upto date You may also kindly arrange to intimate to me by wire on all days on which subscriptions exceeding one lakh of rupees are received at your Head Office. As regards your Branches they may be asked to send to me direct a wire on all days on which they receive subscriptions of not less than Rs.50 thousand. In addition to this as the amount of the loan offered is small it will be necessary for me to get further telegraphic advices from you regarding which I shall advise you later.

3. A good portion of the loan has been promised to be taken up here and it will greatly help me to close the loan

loan promptly if you could intimate the probable amounts that may be subscribed on the first day.

Kindly acknowledge receipt of this letter.

"Copy".

D. Lakshminarayana 11/10/34

Superintendent, S.L. Section.

MW

FINA... 12 OCT. 19.. No.....

U.O. No. 1101/S.L./Encls. Dated: 12th October 1934.

I am forwarding herewith copies of correspondence passed between this office and the Manager, Bank of Mysore, Ltd, regarding the terms under which the Bank has undertaken to grant advances to purchasers of our 3½% New Loan 1951-58 bonds and the amount which the Bank would subscribe to the loan out of its own funds.

2. The Bank has practically agreed with the proposals contained in my letter No. 1094/S.L. dated 11-10-34. The terms for the Bank's Advance Scheme are better than what the Bank was prepared to allow in 1930. The Bank states that it will take five lakhs worth of bonds itself under the Advance Scheme, and allot bonds to applicants out of this sum of five lakhs, the balance, if any, being taken by the Bank. In view of this arrangement, I think we may allow the Bank to purchase bonds for five lakhs under the Advance Scheme.

For information. Under the Advance Scheme the Bank may take bonds for sale and its credit only 5 Lakhs - on this money we may agree to take 2½% interest as agreed by the Govt - of the Bank

3. The Bank has also agreed to subscribe for Rupees ten lakhs of bonds out of its own funds but wants that the amount may not be withdrawn before the end of this month. The Bank's total subscription to the loan is thus Rs.15 lakhs out of Rupees 50 lakhs on offer. I think this small concession which it asks for may be allowed. I request approval to these arrangements.

This may also be agreed to. But the Bank should not expect to receive interest from us until the money is placed at our disposal absolutely and cannot be withdrawn - for such period it should credit back to us 3½% interest

A. S. Richardson
Comptroller.

To

The Financial Secretary to Government

with compliments.

12/10

There was a subsequent corren which was also put up on 16/10

S.S.

D.O.No.1080/S.L. dated 10-10-1934 from the Comptroller, Mysore Government, to the Bank of Mysore, Ltd, Bangalore.

I acknowledge with thanks the receipt of your letter No. S/L 43 dated 6-10-1934 stating that you will be glad to cooperate with the Government to make the new loan a success. As on the previous occasions your cooperation is specially requested in respect of the following items. I send herewith an advance copy of the Loan Notification. A further stock of the copies will be sent to you this evening.

2. The Government are allowing to its officials the benefit of an Advance Scheme charging interest on the Advance Account at ¼% less than rate of interest borne by the New Loan as in the past i.e., at 3¼%. The Bank would, I think, be agreeable to allow advances to its clientiele repayable in easy instalments for purposes of tenderering to the new loan, subject to the proviso that the Bank may, if there is no objection recover interest at 3¼% on the same principle that was adopted on the last occasion and pay to Government 2½% on the subscribed amount should you wish to retain these amounts subscribed pending complete realisation. This will leave you a margin of ¾% to cover charges and some profit to the Bank. I hope you will be agreeable to this. In view of the small amount of the loan now floated, the total amount to be subscribed for under this scheme will have to be limited to Rs.10 lakhs. In any case the scheme will have to be closed as soon as the list to the public is closed. As the intention is to give the benefit of the scheme to the public I request you to kindly write to me before hand if the Bank itself wants to subscribe under the scheme.

3. As we expect the subscriptions to be closed within a short period I would be obliged if you could intimate to me your probable total requirements (Advance Scheme and ordinary subscriptions) as it will help me to arrange for closing the lists. This has reference to my personal conversation with you yesterday afternoon.

4. I shall send shortly copies of the forms and circulars that may be required in this connection. I shall be obliged for the favour of an early reply.

D.O. Letter No.441 dated 11-10-1934 from the Bank of Mysore, Ltd Bangalore, to the Comptroller, Mysore Government, Bangalore.

I am in receipt of your D.O. Letter No.1080/S.L. of the 10th inst.

We are agreeable to allow advances to our customers repayable in easy instalments to enable them to take up the new loan. Interest will be charged at 3¼% and the total amount will be made available t o Government after 18 months. Interest will be allowed by the Bank on the monthly balances in the instalment account at 2¼%.

In your letter under reply you suggest we pay 2½% but we consider 2¼% more reasonable as it leaves a margin of 1 per cent to cover our charges. We hope you will agree to this.

We shall take up Rs.5 lacs of the loan under the instalment scheme.

As regards our cash application, we wish to subscribe for Rs.10 lacs, but as we have no funds available, we have to sell Government Securities to provide the necessary funds. Such being the case we shall thank you to allow us a few days, but if the security market has become weak owing to the unfortunate political events in Europe, it may not be possible to sell securities except at a sacrifice which we are not prepared to do.

As an alternative, may I suggest you allow us to take up Rs.15 lacs under the instalment scheme, ten lacs of which will be repaid at a very early date?

"Copy".

D. Lakshminarasimhaiya

Superintendent, S.L. Section.

D.O.No.1094/S.L. dated 11-10-1934 from the Comptroller, Mysore Government, to the Manager, Bank of Mysore Ltd, Bangalore.

I am in receipt of your D.O.Letter No.441 dated 11-10-1934. In para 2 you mention that interest on the amounts subscribed to the new loan under the Bank's Advance Scheme will be allowed only to the extent of the monthly balances in the instalment account. You will see that the amount outstanding against your customers will be earning for you 3¼% while the amount that has been recovered from them will practically be a fixed deposit with you till 18 months and may be considered to earn a similar interest. It was therefore suggested by me that you may allow interest at 2½% on the entire amount subscribed under the scheme. I hope that this offer is acceptable to you.

2. You suggest a rate of 2¼% interest. This will result in a loss of 1¼% to Government on the amount subscribed under the scheme while if the amount had been received as an ordinary subscription and invested by Government we would have lost practically very little. I would therefore request you to allow the 2½% asked for.

3. Last time the Government did not view with favour the Bank itself subscribing any large amount under the Advance Scheme as it was intended only for the public. I am however referring it to Government.

4. As regards the Bank's ordinary subscription of Rs.10 lakhs to the loan you have not mentioned for what period you required to keep the amount with you. I take it that the amount subscribed will be credited to the Dewan's Deposit Account in the usual way. I request you to kindly intimate whether you desire that we should not draw against this sum say till the end of this month. This may not be difficult to arrange for.

5. Kindly let me have an early reply.

"Copy".

D.L.N. Chinnaswamy Iyengar
Superintendent, S.L. Section.

Letter No.M.452 dated 11-10-1934 from the Bank of Mysore, Ltd, Bangalore, to the Comptroller, Mysore Government, Bangalore.

I am in receipt of your D.O. Letter No.1094/S.L. dated 11-10-34.

Paragraph 1. - We are agreeable to allow 2½% interest on the entire amount subscribed under the Advance Scheme.

Paragraph 2. - As stated above , we are agreeable to allow interest at the rate of 2½% on the amount subscribed under the Advance Scheme.

Paragraph 3. - I suggested that we would take Rs.5 lacs under the Advance Scheme as a provisional measure, as I cannot estimate the amount that will be subscribed for by the public under the Advance Scheme. Out of this amount of Rs.5 lacs we will allot bonds to applicants under the Advance Scheme.

Paragraph 4. - I beg to thank you for your arranging that our cash subscription of Rs.10 lacs will not be drawn from the Dewan's Deposit Account before the end of the month. The amount of Rs.10 lacs therefore will be credited to the Dewan's Deposit Account in the usual way.

Please be good enough to send us Rs.10 lacs of bonds in pieces of Rs.25,000/- each in favour of the Bank on the day on which the loan opens for subscription.

"Copy".

D. Lakshminarasimha Iyengar

Superintendent, S.L. Section.

3

IMMEDIATE.

U.O.No. 1153 /S.L./ Encl Four. Dated: 15th October 1934.

I send herewith a list of subscriptions amounting to Rs.38,72,100/- received so far in this office. The Imperial Bank of India, Madras, wired to me at 12.30 today saying that they had received applications for Rs.27,21,700/- and later till 2 P.M.Rs.37,52,000/- and from Bombay saying that till 1 P.M. they had received Rs.41,56,500. I wired to them inviting reference to my telegrams of 12th and 13th, in which I had requested them to accept subscriptions only upto a limit of Rs.7 and 15 lakhs respectively under an allotment condition. I enclose herewith copies of telegrams & letters sent and received. The Bank of Kolhapur and Kapurchand, Broker, have wired to say that they have already forwarded drafts to an extent of Rs.16,40,000/-. Without taking into consideration the subscriptions received at other places, the total amount offered so far is Rs.1,34,20,600/- and with the limitation of the subscriptions through Madras and Bombay Head Offices to Rs. Twenty two lakhs, it is still Rs.77,12,100. I shall report further collections as details are received from other places. The basis on which an allotment may be made may kindly be indicated.

Comptroller.

S.S.

To

The Financial Secretary
to Government, ~~Bangalore~~ Camp. Mysore.

Copy of telegram received on 15-10-1934 from the Imperial Bank of India, Madras, at 4 P.M.

Total applications received upto 2 P.M. for 3½% 1951-58 Mysore Loan Rs.37,52,000/-.

Thistle.

"Copy".

D. Lakshminarasimhaiya
Superintendent, S.L. Section. 15/10/34

India, Bombay.

"3½% new loan applications for Rs.41,56,500/- received at this office upto one P.M. today..

Thistle".

Copy of reply telegram issued by the Comptroller in reply to the above.

"Thistle, Bombay.

Kindly refer my letter twelfth and telegram of today. Accept applications fifteen lakhs only first received under allotment condition.

Comptroller".

"Copy".

D. Lakshminarasimhaiya
Superintendent, S.L. Section. 15-10-34

Letter No.1110/S.L. dated 12-10-1934 from the Comptroller, Mysore Government, to the Imperial Bank of India, Bombay.

In continuation of my letter No.1083/S.L. dated 10-10-1934, I have the honour to state that in view of the limited nature of the loan to a total of Rs.50, lakhs, and as already a substantial amount has been promised locally, collection of subscriptions to this loan in excess of an aggregate of Rs.15, lakhs may kindly be accepted only after consulting me by wire. If any alteration in these limits are found necessary I shall address you by wire later.

Letter No.1109/S.L. dated 12-10-1934 from the Comptroller, Mysore Government, to the Imperial Bank of India, Madras.

In continuation of my letter No.1082/S.L. dated 10-10-1934, I have the honour to state that in view of the limited nature of the loan to a total of Rs.50, lakhs, and as already a substantial amount has been promised locally, collection of subscriptions to this loan in excess of an aggregate of Rs.7, lakhs may kindly be accepted only after consulting me by wire. If any alteration in these limits are found necessary I shall address you by wire later.

Telegram sent to Imperial Bank of India, Bombay and Madras, sent by Comptroller on 13-10-1934.

"As we have received many offers for reserving large blocks of the limited amount of the 3½% Mysore Loan it is likely to be over-subscribed even on the first day. You may receive applications at the head office fifteenth only on the condition that we reserve the right to allot only a fraction and refund the balance. Your important Branches may be instructed by wire to receive subscriptions only under this condition on the first day". Comptroller".

"Copy".

D. Lakshminarasimhaiyangar 15/10/34

Superintendent, S.L. Section.

IMMEDIATE & CONFIDENTIAL.

Telephone Message received at 8.10 P.M.

From

The Comptroller to Government,
Bangalore.

To

The SpecialDuty Officer,
Dasara Festivities,
Mysore.

Please send the following confidential message regarding the 3½% loan 1951-58 to the Financial Secretary immediately.

Y. Subrahmanyam,
Assistant Comptroller.

	Rs.	
Applications received at Comptroller's Office ..	38,72,100	
Applications received at Imperial Bank of India, Bombay, upto 1 P.M.	41,56,500	✗
Applications received at Imperial Bank of India, Madras..	39,28,000	✗
Applications received at State Huzur Treasury, Bangalore.	1,90,400	✓
Further applications from Mysore Bank up to 4.30 P.M.	10,800	✓
Draft despatched by broker Kapurchand and Kolhapur Bank but not yet received in this office.	16,40,000	—
Applications received at Imperial Bank, Bangalore.	1,18,000	✓
Applications received at ImperialBank, Calicut	50,000	✓
Total up to 7.30 P.M. ..	1,39,65,800	

The following telegram was received from the Imperial Bank of India, Madras at ~~8~~ 7 P.M:--

"Your telegram of 15th. Your telegram of 13th was read to be in supercession of previous instruction and applications for Rs.39,28,000 have been received subject to allotment. Please advise by urgent telegram and that arrangement will stand. Subscription will be remitted by T.T. on receipt of your reply."

HKS.

Telephone Message from the State Loan Section.

To

The following telegrams were received from the Imperial Banks of India, Bombay and Madras.

(1) From the Imperial Bank of India, Bombay.

" Your telegram of today in terms of your telegram 13th October. Applicants here and at our Branches were informed that acceptance of subscriptions were subject to condition that Mysore Government reserve the right to make fractional allotment. But your telegram of to-day received after close of business instructs us that such applications 15 lakhs only first received under allotment condition. These instructions are contradictory and applicants totally excluded may object if ~~xx~~ they do not receive partial allotment. Please wire final instructions whether fractional allotment will be made to all subscribers or only to subscribers first 15 lakhs, received at this office. Please note we accept no responsibility in the matter.

(2) From I. Bank. Bombay.

" 3½ % New Loan applications for total amount Rs: 52,03,300 received to-day at this office.

15/10/1934

(3) From I. Bank Madras.

" Please reply express to my telegram of yesterday regarding allotment of applications for Rs 39,28,000/- "

16/10/34

Express Telegram.

~~IMPERIAL BANK~~ Thistle

BOMBAY

HEAVILY
LOAN ~~HEAVY~~ OVERSUBSCRIBED, HAVE ALLOTTED TWELVE LAKHS YOUR CIRCLE PLEASE DISTRIBUTE AMONGST APPLICANTS IN FULL UP TO CERTAIN LIMIT AND IN PART FOR LARGER APPLICANTS LIMITING TOTAL TWELVE LAKHS CREDITING TWELVE LAKHS DEWAN'S DEPOSIT ACCOUNT REFUND BALANCE APPLICANTS SEND ME DETAIL LIST FOR TWELVE LAKHS TO ENABLE ISSUE BONDS DIRECT PARTIES

16-10-34 COMPTROLLER

Express Telegram.

~~IMPERIAL BANK~~ Thistle

MADRAS

LOAN HEAVILY OVERSUBSCRIBED . HAVE ALLOTTED EIGHT LAKHS YOUR CIRCLE EXCLUDING BANGALORE SEPARATELY DEALT WITH DIRECT PLEASE DISTRIBUTE AMONGST APPLICANTS IN FULL UP TO CERTAIN LIMIT AND IN PART FOR LARGER APPLICANTS LIMITING TOTAL EIGHT LAKHS CREDITING EIGHT LAKHS DEWAN'S DEPOSIT ACCOUNT REFUND BALANCE APPLICANTS AND SEND ME DETAIL LISTS FOR ~~NINE~~ Eight LAKHS TO ENABLE ISSUE BONDS DIRECT ~~ARX~~ PARTIES

16-10-34. COMPTROLLER

PRESS COMMUNIQUE.

The Mysore Government 3½% Cash Loan 1951-58 for Rs 50 lakhs announced in Notification No. Fl. 3395/G.F. 144-34-2 dated 10th October 1934 was opened for subscription on 15th Octobe 1934 and was closed ~~before the close of~~ the same day ~~due to~~ the loan having been heavily oversubscribed, the ~~amount~~ ~~of~~ subscription offered amounting to over Rupees one and a half crores. Partial allotment is being arranged for.

Publicity Officer,
Mysore Government

STER & Co.
STOCK, BULLION, FINANCE
AND
EXCHANGE BROKERS

BRUCE STREET, FORT,

GRAPHIC ADD: "MASTER"
PHONE No. 21152.

DEWAN'S OFFICE
12 OCT 1934
No.

Bombay, 10 Oct. 193

1787 No.R/827.

Dear Sir Mirza,

Please accept my sincere congratulations on the success of the 3½% New Loan. The rate of interest is no doubt high and I think even if it were issued at 3 % and at a discount of 2 % it would have been fully subscribed as the money market is easy and it continue to be till the silver prices improve.

Yours sincerely,

Ruttanshaw

Appendix F G—1]

SUBJECT .....

MA .....

SHARE.

Section G.7

File No. 1944-34

Serial No. 6

No. Fe 4942

To

The Comptroller

Mysore Government 3½%. 1951-58 Loa

Sir,

I am directed to request you

to be so good as to submit to

Government, at a very early date,

the final report of the 3½%.

1951-58 Loan operations.

Yours etc

4/12/34.

for Financial Sec

3-12-34

Diary No. of letter replied to .....

General and Revenue Secretariat

( )

the *193* .

Date of issue 8/12/34

Signed by .....

List of enclosures .....

Copied by .....

Examined by.....

WD 01956—GPB—22,590—12-6-34

GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE

General and Revenue Secretariat

No. Fc 4942 G.F

Bangalore, Dated, 6th Dec. 1934.

From

The *Financial Secretary to the Government of His Highness the Maharaja of Mysore.*

To

The Comptroller to the Government of Mysore,

Bangalore.

Sir,

I am directed to request you to be so good as to submit to Government, at a very early date, the final report of the 3½% 1951-58 Loan operations.

I have the honour to be,

Sir,

Your most obedient servant,

M. Shamanna

Financial Secretary to Govt.

Aga/2

C.F. 244-34 + 144-34-1

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT
OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

No. 1898 /S.L. *Bangalore, dated* 20th December *1934.*

FINANCIAL SECRETARY
1 DEC
No.

From

A. N. RAGHAVACHAR, Esq., M.A.,
Comptroller to the Government of
His Highness the Maharaja of Mysore,
Bangalore.

To

2915 S. Shamanna, Esq., B.A.,
Financial Secretary to the Government
of Mysore, Bangalore.

Sir,

Report on the operations of the Mysore Government 3½% Loan 1951-58.

I have the honour to submit the following report on the operations connected with the 3½% Cash Loan 1951-58 raised by Government during the current year.

Time of floatation and issue of Notification. -

2. When the 4% Conversion Loan of 1953-63 was still continuing from fortnight to fortnight in terms of this office notice dated 23-8-1934 and also Government Notification No. Fl.3233/G.F.139-34 dated 2-10-1934 orders of Government were received on 10-10-1934 authorising the issue of a 3½% Cash Loan of 1951-58 for a sum of fifty lakhs of rupees, free of both British Indian and Mysore Government incometax with a view to discharge the 4% Railway Loan, (vide, Notification No.Fl.3395-G.F.144-34-2 dated 10-10-1934). Though the time between the date of receipt of the notification from Government and the date of ~~receipt~~ actual issue of the loan (viz., 15-10-1934) was only four days, immediate action was taken by this office to print sufficient number of copies of the notification and application forms and to distribute them in time to the several Banks and their Branches, Treasury Officers both of Mysore and British Indian Treasuries, recognised brokers, Accountants General of British Indian Provinces and other wealthy men in Bombay, Hyderabad Dn, etc. The terms of the notification were also published in Mysore Government Gazette on 11-10-1934. Thus, within a short period of 2 to 3 days more than 1500 covers were despatched to places all over India. A great portion of

of advertisement work was thus done by this office by working till late in the night. Besides publishing the notification in the Mysore Gazette, separate arrangement was also made to publish a short advertisement in some important news papers both in and outside the State through the Publicity Officer. The cost of advertisement in news papers amount approximately to Rs.800/-.

PRESS. -

3. Rush of work in connection with the loan put considerable strain on the Press. The Superintendent, Government Printing had to make special arrangements to print all the forms, registers, bonds, etc, as the time given to him was very short. He however cooperated with this office heartily and completed the printing work connected with the Loan well in time. The cost of printing and stationery articles supplied amounts approximately to Rs.300/-

PAPER AND DESIGN OF THE BOND FORMS. -

4. The special water marked paper which was manufactured for printing bond forms in 1923 was used for this loan also. Approval of the Dewan Saheb was obtained to the ground work border and the design. A statement showing the number and denominations of bonds printed together with their face value is enclosed (vide statement E). As all the bonds were issued direct in this office, there was little or no wastage of the bond forms. The bond forms got from the Press those issued and the balance remaining on hand have been properly accounted for, and verified by actual count.

RESULTS OF THE LOAN. -

5. Before the Loan was actually thrown open to ~~the~~ public subscriptions on the 15th October 1934, promises were received from various Banks and Brokers to contribute large amounts to the Loan. The Imperial Bank of India, Madras, also wired to us one or two days before the opening date that there was a prospect of our loan being oversubscribed on the first day only, viz., 15-10-1934. Hence precautionary measures were ~~tkn~~ taken to give telegraphic instructions to the above Banks before 15-10-1934 that only partial allotments will be made in case the Loan is

is oversubscribed. With all our precautions taken to close the loan as quickly as possible the Loan subscriptions amounted to Rs.1,38,55,600/- being oversubscribed to an extent of Rs.88,55,600. But as the Government required only Rupees fifty lakhs, arrangements were madem with the Imperial Bank of India, Bombay and Madras to accept applications only to the extent of 12 and 8 lakhs respectively and to refund the unallotted amounts to the subscribers. The Banks readily consented to our request and refunded the unallotted balances to the subscribers without delay. An important difference in allotment was however shown between applications received within the State and those from outside in that the latter got only about 19% allotment while the local applicants got about 76%. The amounts received from applicants direct in this office at the Mysore Bank and the Treasuries on 15-10-1934 in excess of the allotted amounts were all refunded by this office. It is a point to be noted that by getting complete advices from Banks and Treasuries it has been possible to limit the Loan to exactly fifty lakhs, not even Rs. 100, more or less being accepted.

6. A statement (A) showing the total amount of subscriptions received to 3½% Loan another (B) showing the names of persons who subscribed one lakh and more are appended to this report.

7. I also enclose herewith another statement (C) showing the number of applications for various amounts of bonds issued. We issued instructions that smaller applications should be allotted in full. But still as the loan was kept open for a very short period, the statement shows that very few of the average middle classes have taken advantage of the Loan.

SPECIAL CONCESSIONS GIVEN FOR INVESTMENT IN THE 3½% LOAN. -

8. The Mysore Bank was allowed to receive applications to the 3½% Loan under an advance scheme as in the year 1930, mainly with the object of benefitting the constituents of the Bank. The amount of applications that was asked to be accepted under this scheme was five lakhs as originally agreed upon but as the loan was oversubscribed, the amount of applications actually

actually received from the constituents of the Bank under Bank's Advance Scheme, viz., Rs.2,49,700/- was accepted and the balance of the subscription received in excess of the allotment was refunded to the Bank. The Bank willingly accepted our partial allotment

9. As in the year 1930, the employees of Government were allowed the concession of subscribing to the Loan under an advance scheme sanctioned in G.O.No.Fl.3445-G.F.144-34-3 dated 10-10-1934. The amount of subscriptions received on 15-10-1934 under this scheme was Rs.21,700.

10. BROKERAGE & COMMISSION. -

The rate of brokerage allowed to Bankers and Brokers on applications bearing their stamps was 1/16 per cent of the amount of subscription actually accepted by this office. In addition to this brokerage, the Imperial Bank of India, Bombay and Madras, were paid one anna more as special commission for receiving applications to the Loan and crediting the amount to the Dewan's Deposit Account and an additional one anna for remittance of amounts received from its Branches other than at Madras, Bangalore and Bombay to the credit of the Dewan's Deposit Account at Bangalore or Bombay as previously agreed upon. The Imperial Bank of India was also paid in addition the actual out-of-pocket expenses incurred by them on our account by way of postage and telegrams connected with the loan. The Bank of Mysore, Ltd., Bangalore, was, however paid only 1/16% brokerage on the applications received through it and accepted by this office in addition to postages, etc, incurred on our account. I have to mention in this connection that heavy work was thrown on the Head Offices of the Imperial Bank of India, at Madras and Bombay as they had to make a proportionate allottment themselves, to refund heavy unallotted amounts and also to give detailed further telegraphic instructions to the Branches as regards receipt of subscriptions under the allotment condition and to render detailed accounts to us. But they have not claimed anything extra for doing this even though our original understanding did not include these items of work. The rate of commission paid to them this time is also much less than what

what was given in 1930 which was ¼% plus an additional 1/16% in certain cases. The Imperial Bank, Madras, indeed claimed brokerage and remittance charges on the large gross receipts but on our intimating the British Indian practice they accepted reduced charges on the actual allotted amounts. The good work done and cooperation shown by the Imperial Bank of India deserves recognition. The total amount paid to the Imperial Bank is Rs.2,994-10-6. The total amount of brokerage and commission paid to Bankers and Brokers is Rs.4,908-7-6.

WORK DONE BY THIS OFFICE AND ESTABLISHMENT ARRANGEMENTS.

11. All the applications received through Banks and Treasuries and in this office were dealt with direct by this office. The total number of applications received was 207 amounting to Rs. fifty lakhs. No special hands were drafted from other Sections or new hands employed for the loan work. The staff of the State Loan Section who had experience of previous loan work were asked to get through the work itself by working extra hours, late in the nights and during Dasara Holidays and Sundays. The bonds to the subscribers were issued completely within 3 or 4 days after receipt of applications from Banks and treasuries in this office. The total issues have been verified with the total credits to the loan at the treasuries and the Banks, and complete reconciliation of figures arrived at. The original Issue Registers have also been completely written up and advices of enfacements have been sent to the treasuries and Banks. Expenditure on establishment in connection with the loan has been kept down as low as possible, the only hands employed being an extra Attender and a peon for about one month met from the lumpsum grant at my disposal. The cost of the scale of remuneration separately proposed to be paid to the staff engaged in the new

the new loan work, at a little less than one-fourth of pay amounts to only Rs.300/- for one month.

12. EXPENDITURE. -

Statement II shows the expenditure incurred in connection with the new loan and also the advance interest, etc, paid. The expenses incurred under advertisement were kept down as low as possible and advertisement in Calcutta papers stopped by telegram as soon as it became apparent that the loan would be oversubscribed. Sanction of Government is required for all these charges and a separate communication has been submitted to Government in this behalf.

EFFECT ON THE REVENUE BUDGET. -

13. No provision was made in the Budget for 1934-35 to meet the cost of floatation and interest charges in respect of this loan, as the question of raising this loan was not in contemplation at the time of preparation of the Estimates. Advance interest paid at the time of issue of the bonds amounts to Rs.28,896/- and expenditure towards Brokerage and Commission, Advertisement, Printing and Stationery, Contingencies and additional establishment comes to Rs. 6798-7-6. In addition, we have to pay in the current year interest for one half year (for the half year ending 15th June 1936) and this comes to Rs.87,500. On the whole, there will be an additional expenditure of Rs. 1,23,[illegible]4-7-6 in the current year under "9 Interest - 1 Interest on Debt". In the budgets for future years, a sum of Rs.1,75,000, will have to be provided to meet the annual interest charges in respect of this loan.

Steps have been and are being taken to invest cash received by the Loan, in the most profitable manner possible. As the money is required early in the year 1936 for the discharge of the 4 per cent Railway Loan it is invested in Treasury Bills, Fixed Deposits with Banks and Government of India Securities repayable before that year. These investments given us an yield

yield of 1-6-0 to 3 per cent interest. A part of the loan amount is also earning at present interest at 1½ per cent in the current account with the Mysore Bank. What additional contribution to Sinking Fund will have to be given on account of this loan and what the position will be after the discharge of the debenture loan in 1936 will be taken up separately.

WORK YET TO BE DONE. -

14. As soon as the compiled book figures for October 1934 are ready the broad-sheet figures will be verified with the same. No difficulty is however anticipated in this respect as the figures from classified abstracts have been verified.

AN INCIDENT. -

15. I have to refer in this connection to an incident which occurred during the floatation of the loan which deserves to be recorded for purposes of future guidance. One Hyderabad broker applied on 13-10-1934, two days before the loan was open, for reservation of 12.4 lakhs of loan. This office accepted the subscription and wired to him to remit money immediately. But subsequently during the same day telegraphic advices were received from Imperial Bank, Madras and other places which showed that the loan would be oversubscribed and that it would not be equitable to reserve large blocks of the loan on behalf of one or two applicants. On the same day telegraphic intimation was sent to the broker that our acceptance was cancelled and that he could get only partial allotment like others. This the broker refused to accept saying that we were bound by the first telegram of acceptance and subsequently gave a lawyer's notice threatening legal action against us. His application with cheques and drafts were however received in this office on the 17th October 1934 i.e., two days after the loan was closed. On the score of

of the late receipt of the remittance, the Law Department finally advised us to confirm the refusal of the applications and action has been taken accordingly.

POINTS TO BE NOTED FOR THE FUTURE. -

This is the first Mysore Loan that has been heavily over-subscribed and it has brought out some points which require our attention for guidance in future.

(1) The incident referred to above indicates the need for not committing ourselves to reservation of anything for any one person and that every subscriber should be allowed to take his chance in the usual course.

(2) In all our future cash loans it is desirable to include a clause regarding partial allotment in the case of oversubscriptions.

(3) Our understanding with Banks for commission to be paid to them and the clause regarding brokerage in the loan notification should also contain explicit provision for payment only on the basis of the allotted amounts and not on the amount subscribed.

(4) Whether it is necessary in future to have differential allotments for local and outside applications is a question of policy that has to be settled in the light of the all India Market that our loans are commanding.

(5) The date on which the loan is proposed to be opened should not be ordinarily a Bank holiday in any ~~of~~ part of India. This time all the Banks in the Calcutta Circle had holidays on the opening day and the subsequent days and this resulted in considerable correspondence with them later.

ACKNOWLEDGMENTS. -

17. I beg to bring to the special notice of Government the good work done by the staff of the State Loan Section of my office in this connection and also the very careful and methodical manner in which Mr. Y. Subramanyam, Assistant Comptroller in charge of State Loan Section has carried out his duties and promptly dealt with all work connected with the loan. I would suggest Government granting him a suitable sum or bonus say ~~of~~ half a

half a month's pay in recognition of the good work turned out by him. I have already referred to the cooperation of the Superintendent, Government Printing and wish only to add that the Treasuries and Banks have also given valuable assistance.

CONCLUSION. -

The soundness of our credit in the British Indian Market is amply testified to by the phenomenal oversubscription to the Loan in the course of a couple of hours on the day of the opening of this loan, though the rate of interest offered was so low as 3½% and the investment would prove attractive and would hold a special appeal to Banks for their Reserve Funds and the general genuine investors of large blocks of cash holdings. The scrip is at present commanding a premium of more than Rs.3, which is an eloquent tribute to the high confidence that the general investing-Indian-public have in our Loans.

I have the honour to be,

Sir,

Your most obedient servant,

A. Raghavachari

COMPTROLLER.

S.S.

Statement A.

Total subscription to the Mysore Government 3½% Loan 1951-58 according to several units.

Treasury, Bank or other unit.	No. of applications	Amount applied for.	Amount allotted.
1. Imperial Bank of India, Bombay and its Branches.	58.	53,82,200.	12,00,000
2. do Madras & Branches.	62	41,48,700	8,00,000
3. Comptroller.	14	20,68,100	13,75,000
4. Imperial Bank, Bangalore.	13	1,18,000	1,18,000
5. State Huzur Treasury.	15	1,80,400	1,60,400
6. Mysore District Treasury.	1	10,000	10,000
7. Bank of Mysore, Ltd, Bangalore and Branches.	13	18,18,000	12,87,900
8. Imperial Bank of India, Amritsar.	3	1,06,500	25,000
9. do Morree.	1	2,000	2,000
10. Advance Scheme.	27	21,700	21,700
Total.	207.	1,38,55,600.	50,00,000

S.S.

Assistant Comptroller.

Statement "B".

List of subscribers of Rupees one lakh and above to the Mysore Government 3½% Loan of 1951-58.

	Name of subscriber.	Amount.
1.	Chartered Bank of India Australia & China.	Rs. 3,96,000
2.	Imperial Bank of India, Madras.	3,73,000
3.	Bank of Kolhapur.	2,00,000
4.	Mercantile Bank of India, Bombay.	1,00,000
5.	Central Bank of India Ld, Bombay.	4,65,800
6.	P & O Banking Corporation, Ltd, Bombay.	1,60,000
7.	Bank of Mysore Ltd.	10,33,800
8.	Canara Bank, Ltd.	4,32,800
9.	Aiyar & Co	2,36,000
10.	Indian Bank, Ltd.	4,13,100
	Total.	38,10,500

Assistant Comptroller

25/11.

7

Statement C.

Applications grouped according to their sizee.

	Number.	Amount.
Applications for Rs.100.	8.	800
Over Rs.100 and upto Rs.1000.	73	64,500
Over Rs.1,000 and upto Rs.10,000.	77	4,09,500
Over Rs.10,000, and upto Rs.50,000.	26	6,15,200
Over Rs.50,000.	23	39,10,000
Total.	207.	50,00,000.

Assistant Comptroller.

8

Statement D.

Expenditure statement in connection with the 3½% Mysore Government Loan of 1951-58.

Particulars.	Amount.
Advance interest allowed.	28,895-15-6
Brokerage & Commission.	4,908- 7-6
Advertisement charges.	800- 0-0
Printing & Stationery.	300- 0-0
Contingencies.	400- 0-0
Establishment charges.	~~513-~~ 300 0-0
	35,604-7-0 ~~35,817-7-0~~

Assistant Comptroller.

S.S.

Statement E.

Details of bond forms printed for 3½% Loan of 1951-58.

Denomination.		No. of forms.	Amount.
D	Rs. 100.	1000	1,00,000
E	500	500	2,50,000
F	1000	1990	19,90,000
G	5000	500	25,00,000
H	10000	200	20,00,000
K	25000	100	25,00,000
I	50000	25	12,50,000
J	100000	25	25,00,000
Stock Certificates.		500	
		4840.	1,30,90,000

Assistant Comptroller.

S.S.

10

2

DEWAN'S OFFICE
14 OCT. 1934
No. D146

Serial No.

4 the I mentions over the telephone over down is hereby who over Subscribed Even on the first day. Viz the 15th Information of intention to Subscribe has been received so far as follows: —

Mysore Bank 10 Lakhs + 5 Lakhs under the Advance Scheme
Indian Bank 3½ Lakhs -
Canara Bank 3 Lakhs -
Secunderabad 12½ Lakhs -
Bowrar
Kolhapur Bank 10 Lakhs -
Ayyar & Co brokers 10 Lakhs.

Total 54 Lakhs.

Anticipating something of this kind the Imperial Bank at Bombay & Madras had been informed not to receive more than 15 Lakhs & 7 Lakhs respectively on the first day without informing the Comptr beforehand - It appears now appear that there may be nothing left for Subscriptions in Bombay & Elsewhere if as Even for other local Subscriptions. response will be more than anticipated

5 I have therefore asked the Comptr to wire the Imperial Banks Bombay & Madras to receive applications on the 15th only on the condition that if the loan is oversubscribed on the 15th, only partial allotments will be made & the balance refunded - The Local persons, genuine investors (who generally ask for small amounts) and our State Bankers viz the Bank of Mysore should have preference and the outside Brokers, & Banks should receive only a partial amount & any balance that may be left over - In consultation with the Comptroller I think that the following

NOTE—Contn. Sheet.

WD 0434—GPB—15,000—12-10-33

(a)

File No. of 193 . | General and Revenue Secretariat

Serial No.

procedure may be followed :—

1. We will arrange to get in the returns by wire of Subscriptions received on the first day in Bombay & Madras and in other places where more than ½ a lakh may have been Subscribed for and close the list on the 15th Evening as the total will be more than 50 lakhs

2. All individuals' applications of less than 5 or 000 Rs which we may assume comes from Servants in Centres will be taken - If this becomes too large, we may have to fix a smaller limit for applications from outside the State.

3. The Mysore Bank being the State Bank will be allowed to take the full amount it has applied for viz 10 + 5 Lakhs.

4. All others - Bankers & Brokers - will receive partial allotments, with reference to the amounts applied for - If necessary some preference may be shown to Banks and brokers doing business within Mysore State and a higher proportion given to them than to outside Brokers & Bankers -

5. Unaccepted Subscriptions will be returned immediately - if possible on the 16th itself and we will try to see that the total of the accepted amounts is first fifty lakhs -

6 By getting timely information by wire we will have to see that too large amounts are not received Even on the 15th and the amount refundable will be as small as possible

Demand

13.10.32.

(3)

Serial No.

The loan is ending very attractive I don't think we need secure more than Rs 50/- Lakhs: unless, of course, money is needed for any long remunerative scheme or schemes lying a safe profit.

14-10-34

2 From information received on the Evening of 15/10/34 the total Subscriptions amount to 139.65 Lakhs out of which the figure for Imperial Bank Bombay is 4.65 lakhs. Madras 39.28 + .50, Comptroller 38.72 Lakhs etc. Today information has been received from Bombay that the total Subscription there is 5 2 lakhs.

3 It is necessary to decide upon the methods of apportionment and return the money accepted promptly — particularly in the case of Bombay & Madras applns.

4 The total received being more than 3 times the amount required viz 50 Lakhs, Bombay & Madras can get an allotment of about 1/4 of what they have asked for on the whole. In consultation with the Comptroller I propose to allot 12 Lakhs to Bombay & 8 Lakhs to Madras and give them orders accordingly to refund the balance to the applicants — after giving full allotment to small subscribers and partial allotments to large subscribers. This may be immediately approved kindly

NOTE—Contn. Sheet.

WD 01536—GPB—7,500—6-4-34

File No. of 193 . | General and Revenue Secretariat

as this will enable the payment of over 70 lakhs not allotted without inconvenience to us or to the parties.

To the above Mysore Bank and other local applicants details of distribution will be put after getting complete information - with a view to make an allotment to each by Equal to 50 Lakh

16/10

Dewan

16-10-34

To Controller for information accordingly.

12 Submitted to the First & Second Members for perusal.

The Comptroller has been asked to allot Rs 12 lakhs and Rs 8 lakhs respectively for the Imperial Banks of India, Bombay and Madras, and he has taken necessary action yesterday.

13 As desired by the Dewan, a Press Communique has also been issued announcing that the loan has been oversubscribed and closed on the first day the subscriptions 17-10-34 received & Credit Rs 150 lakhs-

17/10

2nd & 1st Mbrs)

14 Ker 17.10.34

15 17/10

DEWAN'S OFFICE 16 OCT. 1934 No. 2071

OFFICE OF THE FIRST MEMBER OF COUNCIL 17 OCT. 1934 3061

OFFICE OF THE SECOND MEMBER OF COUNCIL. 17 OCT. 1934 No. 2696

(5)

3½% 1951-58 Loan

General and Revenue Secretariat | File No. | of 193 | [App. F. III—2 4

Serial No.	
	16 D S N submitted for approval
	Dewan ~~Secretary~~
	17 20/10

NOTE—Contn. Sheet.

18 With the gracious approval of His Highness a Notification was issued on 10th October 1934 inviting subscriptions for a Three and a half per cent cash loan of Rupees Fifty Lakhs, issued at par. It was laid down in the Notification that the loan would be open for subscription from 15th October 1934 to 14th December 1934 but it would be closed without notice as soon as the amount of subscription reached Rupees Fifty Lakhs. As in the year 1930, the concession of subscribing to the loan in instalments was allowed to Government servants.

19 Requisitions were received in the Comptroller's Office from Brokers and Bankers on 12th evening and 13th for reserving large amounts for them and while reviewing the position on the 13th it was thought that the loan was likely to be oversubscribed on the opening day itself, and intimation was therefore sent on that day to the Banks and Treasuries and other persons who made enquiries that subscriptions would be received on the 15th subject to the condition that only partial allotment would be made, if the loan was found to be oversubscribed. The subscriptions received on the 1st day having come to about Rs 153 lakhs, the loan list was closed on the evening of that date, and necessary instructions were issued to the Treasuries and Banks not to receive any subscriptions from the 16th. Out of about Rs 153 lakhs referred to above, about Rs 115 lakhs came from outside the State. Partial allotment is being arranged for, limiting the total to Rs 50 lakhs. Lump sums of 12 lakhs and 8 lakhs have been allotted to the subscribers through the Imperial Bank of India, Bombay and Madras circles respectively. As regards local subscribers, subscriptions amounting to Rs 40,000 and less have been accepted in full and partial allotment is being arranged for others.

The

20 The response to the Loan Notification has been gratifying and indicates that Mysore Loans command a large measure of popularity.

21 Though the amount offered was large, it was considered best from all points of view to adhere to our original intention and accept just Rs 50 lakhs and no more.

Page 3 of this note.

22 I report these facts for the gracious information of His Highness.

Mirza M. Ismail

Mysore,
21st October 1934.

DEWAN.

Record of Cases submitted for the Orders of
His Highness the Maharaja. 7

Subject.

23 Subscriptions to the Three and a Half per cent Loan 1951-58.

C by
M
23-10-34

207

Order.

~~KRW~~
23/10/34

General and Revenue
Secretariat

2 11
8

Subscriptions to the
Nine and a half per cent
Loan 1951-58

(*)

31. All urgent or confidential files returned with His Highness' orders may in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at Head-quarters and then sent to the Secretariat concerned for the issue of orders.

24 Circulated to Members of Council for perusal of His Highness' orders before/after issue of orders.* (*Vide Rules* 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

R. Rajaratna

Chief Secretary to Government.

Through the Secretary to Government,

Finl ..... Department. W

3257
25/10

FIRST MEMBER OF COUNCIL. Ley
25/10/34

SECOND MEMBER OF COUNCIL.

JR

25 Finl Secy, with Compts.
Lyo

RR
26/10/34.

W
29.10.34

NOTE.—Contn. sheet.

Serial No.

Mysore Government 3½% 1951-58 Loan

OFFICE
16 JAN 1935
A 8896

26 Draft letter to the Comptroller, calling for the final report, submitted for approval

JL
3-12-34
MV

Issue
JL 4/12/34

JL 4962 of 8/12/34

DEPT
GENL & REV. SECTT.

Sub

JL
12-12-34
MV
14/12

Letter No.1896 S L dated 20th December 1934 from the Comptroller submitting his final report on the Loan operations.

27 Submitted for kind perusal.

28 Draft Review and D S N are also submitted for consideration.

In para 17 of the Comptroller's letter, he has suggested that a suitable sum or bonus, say of half a month's pay, may be given to Mr.Y.Subramanyam, Assistan Comptroller, State Loan section, in recognition of the good work turned out by him. This is for orders. Thi officer was in charge of the loan operations in the y years 1930 and 1933, and no Bonus was allowed; but th good work done by him was made mention in the ~~draft~~ Reviews of Government on the loan reports. His pay is Rs 425.

JL
10-1-35
MV
11/1

JL Secy) JL
11.1.35.

Draft order and D S N may be approved
It is not necessary to give any bonus
to the Asstt Comptr as suggested
It is not advisable to do so in

NOTE—Contn. Sheet

16/1

WD 01955—GPB—22,500—12-6-34

5162

File No. of 193 . | General and Revenue Secretariat

The case of Gazetted Officers who are expected to do their work in a satisfactory manner - Now work has now ceased to be new and has become a ~~more or~~ routine matter

Now)

16/1

Submitted to His Highness.

Pages 5 & 6 of Office Notes
B
C

In continuation of my Submission Note dated 21st October 1934, I beg to submit herewith, for the gracious perusal of His Highness, the Comptroller's final report on the operations of the 3½% 1951-58 loan raised in October 1934, together with a draft Review thereon.

Arrangements have been made to invest the cash received, viz., Rs. 50 lakhs in short term securities, in order that the same may be available in the year 1936 in connection with the discharge of the Railway sterling loan.

Bangalore,
16th January 1935.

Mirza M. Ismail
D E W A N.

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Final report on the operations of the 3½ p.c. 1951-58 loan and draft review thereon.

No. 376

Order.

~~KRW~~

18/1/35

29,15
71

348

General and Revenue
Secretariat

SUBJECT:- final report of the Operations of the 3½% 1951-58 Loan and draft press Communiqué thereon.

(*)

31. All urgent or confidential files returned with His Highness' orders may in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at Head-quarters and then sent to the Secretariat concerned for the issue of orders.

Circulated to Members of Council for perusal of His Highness' orders before/after issue of orders.* (*Vide Rules* 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

R. Rangachari
Chief Secretary to Government.

Through the Secretary to Government,
Fin Department.
21.1.35.

5378
23/1

FIRST MEMBER OF COUNCIL.
23/1

SECOND MEMBER OF COUNCIL (on tour)

25 JAN 1935

Fin Secy. with Comps.

NOTE.—Contn. sheet.

20-2-35

Re
23/11/35
Fin draft note
24/11

Fe G 429-88 of 28/1/35
24/11/35

10 Copies

G.F.144-34-8

Proceedings of the Government of His Highness the Maharaja of Mysore.

Read.-

Government Notification No. Fl. 3395/G.F. 144-34-2 dated 10th October 1934, inviting subscriptions for a Three and a half per cent Cash Loan of Rupees Fifty Lakhs issued at par.

2. Letter No. 1896/S.L. dated 20th December 1934 from the Comptroller submitting his final report on the operations of the above Loan.

ORDER NO. Fe 6129-88 DATED 28/1/35

Recorded.

2. This Loan was raised with a view to provide the funds required for the discharge of the Four Per cent Mysore Railway Sterling Debenture Loan of £ 1,200,000/-, in ~~addition to~~ lieu of the value of investments held in the Sinking Fund formed for the purpose. The employees of Government were allowed to subscribe to the Loan under an Advance Scheme.

3. The loan has been a great success. The subscriptions on the opening day itself, viz., 15th October 1934, having come to about Rs 136 lakhs, the loan list was closed that day and partial allotment was arranged for, limiting the total subscriptions to Rs 50 lakhs. There were in all 207 applications of which 27 applications for Rs 21,700 were from Government servants under the Advance Scheme. The latter were accepted in full.

4. Government note that all the operations

operations connected with the loan were conducted satisfactorily in the Comptroller's Office, Government Press and the Treasuries and that the Bank of Mysore and the Imperial Bank readily co-operated with the Comptroller in ~~making the Loan a success.~~ General Stages of work

Financial Secretary.

16-1-35

To

The Comptroller to Government
The Heads of Departments
The Deputy Commissioners of Districts
PRESS TABLE.

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

Read :—

Government Notification No.F.3301/[illegible]-2[illegible]-34-2 dated 10th October 1934, inviting subscriptions for Two and a half per cent Loan of Rupees Fifty lakhs [illegible] of par.

2. Letter No.16[illegible]/[illegible] dated 20th October 1934 from the Controller to Government submitting the list of applications for the subscription of the above loan.

ORDER No. Fe 612-88-F.7. 11-4-34-8

Dated, Bangalore, the 28th January 1935.

28

READ.

1. This loan was raised with a view to provide the funds required for the discharge of the four per cent Mysore Railway sterling debenture loan of £.1,200,000/- in excess of the value of investments held at the sinking fund formed for the purpose. The employees of Government were allowed to subscribe to the loan under an advance scheme.

3. The loan has been a great success. The subscriptions on the opening day itself, viz., 15th October 1934, having come to about Rs.136 lakhs, the loan list was closed that day and partial allotment was arranged for, limiting the total subscriptions to Rs.50 lakhs. There were in all 207 applications of which 7 applications for Rs.21,700 were from Government servants to take up the advance scheme. The latter were accepted in full.

4. Government note that all the operations connected with the loan was conducted satisfactorily in the Controller's office, Government Press and the Treasuries in view of the terms of issue and the Imperial Bank readily co-operated with the

Controller in the several stages of work.

M Shamana

For Financial Secretary to Government.

To

The Controller to Government.
" Heads of Departments.
" Deputy Commissioners of Districts.
" [illegible] TAT.

[illegible].10

Government of his highness the Maharaja of Mysore.

FINANCIAL DEPARTMENT.

G. O. No. Fl. 6129-88—G. F. 114-34-8, dated 28th January 1935.

Three and a half per cent 1951-58 Loan.

Reviews the report of the Comptroller on the operations of —— .

READ—

Government Notification No. Fl. 3395—G. F. 144-34-2, dated 10th October 1934, inviting subscriptions for a three and a half per cent cash loan of rupees fifty lakhs issued at par.

2. Letter No. 1898—S. L., dated 20th December 1934, from the Comptroller to Government, submitting his final report on the operations of the above loan.

ORDER NO. FL. 6129-88—G. F. 114-34-8, DATED BANGALORE, THE 28TH JANUARY 1935.

Recorded.

2. This loan was raised with a view to provide the funds required for the discharge of the Four Per Cent Mysore Railway Sterling Debenture Loan of £1,200,000 in excess of the value of investments held in the Sinking Fund formed for the purpose. The employees of Government were allowed to subscribe to the loan under an Advance Scheme.

3. The loan has been a great success. The subscriptions on the opening day itself, *viz.*, 15th October 1934, having come to about Rs. 138 lakhs, the loan list was closed that day and partial allotment was arranged for, limiting the total subscriptions to Rs. 50 lakhs. There were in all 207 applications, of which 27 applications for Rs. 21,700 were from Government servants under the Advance Scheme. The latter were accepted in full.

4. Government note that all the operations connected with the loan was conducted satisfactorily in the Comptroller's Office, Government Press and the Treasuries and that the Bank of Mysore and the Imperial Bank readily co-operated with the Comptroller in the several stages of work.

M Shamanna

For Financial Secretary to Government.

To—The Comptroller to Government.
The Heads of Departments.
The Deputy Commissioners of Districts.
PRESS TABLE.

Exd.—C. K.

W D 1229—GPB—490—30-1-35

REPORT ON THE OPERATIONS OF THE MYSORE GOVERNMENT THREE AND A HALF PER CENT LOAN, 1951-58

WITH THE GOVERNMENT REVIEW THEREON.

Printed by the Superintendent at the Government Press, Bangalore—1935.

Government of His Highness the Maharaja of Mysore.

FINANCIAL DEPARTMENT.

G. O. No. Fl. 6129-88—G. F. 114-34-8, dated 28th January 1935.

Three and a half per cent 1951-58 Loan.

Reviews the report of the Comptroller on the operations of —— .

READ—

Government Notification No. Fl. 3395—G. F. 144-34-2, dated 10th October 1934, inviting subscriptions for a three and a half per cent cash loan of rupees fifty lakhs issued at par.

2. Letter No. 1898—S. L., dated 20th December 1934, from the Comptroller to Government, submitting his final report on the operations of the above loan.

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Rs. 21,700 were from Government servants under the Advance Scheme. The latter were accepted in full.

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S. SHAMANNA,
Financial Secretary to Government.

To—The Comptroller to Government.
The Heads of Departments.
The Deputy Commissioners of Districts.

PRESS TABLE.

Exd.—C. K.

No. 1898—S. L. OFFICE OF THE COMPTROLLER TO THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

Bangalore, dated 20th December 1934.

FROM

A. N. RAGHAVACHAR, ESQ., M.A.,
Comptroller to the Government of His Highness the Maharaja of Mysore, Bangalore.

To

S. SHAMANNA, ESQ., B.A.,
Financial Secretary to the Government of Mysore, Bangalore.

Report on the operations of the Mysore Government Three and a half per cent Loan 1951-58.

SIR,

I have the honour to submit the following report on the operations connected with the Three and a half per cent Cash Loan 1951-58 raised by Government during the current year.

2. *Time of Flotation and Issue of Notification.*— When the Four per cent Conversion Loan of 1953-63 was still continuing from fortnight to fortnight in terms of this office notice dated 23rd August 1934 and also Government Notification No. Fl. 3233—G. F. 139-34, dated 2nd October 1934, orders of Government were received on 10th October 1934 authorising the issue of a Three and a half per cent Cash Loan of 1951-58 for a sum of fifty lakhs of rupees, free of both British Indian and Mysore Government income-tax with a view to discharge the Four per cent Railway Loan, (*vide* Notification No. Fl. 3395—G. F. 144-34-2, dated 10th October 1934). Though the time between the date of receipt of the notification from

Government and the date of actual issue of the loan (*viz.*, 15th October 1934) was only four days, immediate action was taken by this office to print sufficient number of copies of the notification and application forms and to distribute them in time to the several Banks and their Branches, Treasury Officers both of Mysore and British Indian Treasuries, recognised brokers, Accountants-General of British Indian Provinces and other wealthy men in Bombay, Hyderabad (Dn.) etc. The terms of the notification were also published in *Mysore Government Gazette* on 11th October 1934. Thus, within a short period of two to three days more than 1,500 covers were despatched to places all over India. A great portion of advertisement work was thus done by this office by working till late in the night. Besides publishing the notification in the *Mysore Gazette*, separate arrangement was also made to publish a short advertisement in some important newspapers both in and outside the State through the Publicity Officer. The cost of advertisement in newspapers amount approximately to Rs. 800.

3. *Press.*—Rush of work in connection with the loan put considerable strain on the Press. The Superintendent, Government Printing, had to make special arrangements to print all the forms, registers, bonds, etc., as the time given to him was very short. He, however, co-operated with this office heartily and completed the printing work connected with the Loan well in time. The cost of printing and stationery articles supplied amounts approximately to Rs. 300.

4. *Paper and Design of the Bond Forms*—The special water-marked paper which was manufactured for printing bond forms in 1923 was used for this loan also. Approval of the Dewan Saheb was obtained to the ground work, border and the design. A statement showing the number and denominations of bonds printed together with their face value is enclosed (*vide* Statement E). As all the bonds were issued direct in this office, there was little or no wastage of the bond forms. The bond forms got from the Press those issued and the balance remaining on hand have been properly accounted for, and verified by actual count.

5. *Results of the Loan.*—Before the Loan was actually thrown open to public subscription on the 15th October 1934, promises were received from various Banks and Brokers to contribute large amounts to the Loan.

The Imperial Bank of India, Madras, also wired to us one or two days before the opening date that there was a prospect of our loan being oversubscribed on the first day only, *viz.*, 15th October 1934. Hence precautionary measures were taken to give telegraphic instructions to the above Banks before 15th October 1934 that only partial allotments will be made in case the Loan is oversubscribed. With all our precautions taken to close the loan as quickly as possible the Loan subscriptions amounted to Rs. 1,38,55,600 being oversubscribed to an extent of Rs. 88,55,600. But as the Government required only Rupees fifty lakhs, arrangements were made with the Imperial Bank of India, Bombay and Madras to accept applications only to the extent of twelve and eight lakhs respectively and to refund the unallotted amounts to the subscribers. The Banks readily consented to our request and refunded the unallotted balances to the subscribers without delay. An important difference in allotment was, however, shown between applications received within the State and those from outside in that the latter got only about 19 per cent allotment while the local applicants got about 76 per cent. The amounts received from applicants direct in this office, at the Mysore Bank and the Treasuries on 15th October 1934 in excess of the allotted amounts were all refunded by this office. It is a point to be noted that by getting complete advices from Banks and Treasuries it has been possible to limit the Loan to exactly fifty lakhs, not even Rs. 100, more or less being accepted.

6. A statement (A) showing the total amount of subscriptions received to Three and a half per cent Loan, another (B) showing the names of persons who subscribed one lakh and more are appended to this report.

7. I also enclose herewith another statement (C) showing the number of applications for various amounts of bonds issued. We issued instructions that smaller applications should be allotted in full. But still, as the loan was kept open for a very short period, the statement shows that very few of the average middle classes have taken advantage of the Loan.

8. *Special Concessions given for Investment in the Three and a Half per cent Loan.*—The Mysore Bank was allowed to receive applications to the Three and a half per cent Loan under an advance scheme as in the year 1930, mainly with the object of benefiting the constituents of the Bank. The amount of applications that was asked to

be accepted under this scheme was five lakhs as originally agreed upon but as the loan was oversubscribed, the amount of applications actually received from the constituents of the Bank under Bank's Advance Scheme, *viz.*, Rs. 2,49,700 was accepted and the balance of the subscription received in excess of the allotment was refunded to the Bank. The Bank willingly accepted our partial allotment.

9. As in the year 1930, the employees of Government were allowed the concession of subscribing to the Loan under an advance scheme sanctioned in G. O. No. Fl. 3445—G. F. 144-34-3, dated 10th October 1934. The amount of subscriptions received on 15th October 1934 under this scheme was Rs. 21,700.

10. *Brokerage and Commission.*—The rate of brokerage allowed to Bankers and Brokers on applications bearing their stamps was 1/16 per cent of the amount of subscription actually accepted by this office. In addition to this brokerage, the Imperial Bank of India, Bombay and Madras, were paid one anna more as special commission for receiving applications to the Loan and crediting the amount to the Dewan's Deposit Account and an additional one anna for remittance of amounts received from its Branches other than at Madras, Bangalore and Bombay to the credit of the Dewan's Deposit Account at Bangalore or Bombay as previously agreed upon. The Imperial Bank of India was also paid in addition the actual out-of-pocket expenses incurred by them on our account by way of postage and telegrams connected with the loan. The Bank of Mysore, Ltd., Bangalore, was, however, paid only 1/16 per cent brokerage on the applications received through it and accepted by this office in addition to postages, etc., incurred on our account. I have to mention in this connection that heavy work was thrown on the Head Offices of the Imperial Bank of India, at Madras and Bombay as they had to make a proportionate allotment themselves, to refund heavy unallotted amounts and also to give detailed further telegraphic instructions to the Branches as regards receipt of subscriptions under the allotment condition and to render detailed accounts to us. But they have not claimed anything extra for doing this even though our original understanding did not include these items of work. The rate of commission paid to them this time is also much less than what was given in 1930 which was ¼ per cent.

plus an additional 1/16 per cent in certain cases. The Imperial Bank, Madras, indeed claimed brokerage and remittance charges on the large gross receipts but on our intimating the British Indian practice they accepted reduced charges on the actual allotted amounts. The good work done and co-operation shown by the Imperial Bank of India deserves recognition. The total amount paid to the Imperial Bank is Rs. 2,994-10-6. The total amount of brokerage and commission paid to Bankers and Brokers is Rs. 4,908-7-6.

11. *Work done by this Office and Establishment Arrangements.*—All the applications received through Banks and Treasuries and in this office were dealt with direct by this office. The total number of applications received was 207 amounting to Rs. 50 lakhs. No special hands were drafted from other Sections or new hands employed for the loan work. The staff of the State Loan Section who had experience of previous loan work were asked to get through the work itself by working extra hours, late in the nights and during Dasara Holidays and Sundays. The bonds to the subscribers were issued completely within three or four days after receipt of applications from Banks and Treasuries in this office. The total issues have been verified with the total credits to the loan at the Treasuries and the Banks, and complete reconciliation of figures arrived at. The original Issue Registers have also been completely written up and Advices of Enfacements have been sent to the Treasuries and Banks. Expenditure on establishment in connection with the loan has been kept down as low as possible, the only hands employed being an extra Attender and a peon for about one month met from the lumpsum grant at my disposal. The cost of the scale of remuneration separately proposed to be paid to the staff engaged in the new loan work, at a little less than one-fourth of pay amounts to only Rs. 300 for one month.

12. *Expenditure.*—Statement D, shows the expenditure incurred in connection with the new loan and also the advance interest, etc., paid. The expenses incurred under advertisement were kept down as low as possible and advertisement in Calcutta papers stopped by telegram as soon as it became apparent that the loan would be oversubscribed. Sanction of Government is required for all these charges and a separate communication has been submitted to Government in this behalf.

13. *Effect on the Revenue Budget.*—No provision was made in the Budget for 1934-35 to meet the cost of floatation and interest charges in respect of this loan, as the question of raising this loan was not in contemplation at the time of preparation of the estimates. Advance interest paid at the time of issue of the bonds amounts to Rs. 28,896 and expenditure towards Brokerage and Commission, Advertisement, Printing and Stationery, Contingencies and additional establishment comes to Rs. 6,708-7-6. In addition, we have to pay in the current year interest for one-half year (for the half-year ending 15th June 1935) and this comes to Rs. 87,500. On the whole, there will be an additional expenditure of Rs. 1,23,104-7-6 in the current year under "9 Interest—(1) Interest on Debt." In the budgets for future years, a sum of Rs. 1,75,000, will have to be provided to meet the annual interest charges in respect of this loan.

Steps have been and are being taken to invest cash received by the Loan, in the most profitable manner possible. As the money is required early in the year 1936 for the discharge of the 4 per cent Railway loan, it is invested in Treasury Bills, Fixed Deposits with Banks and Government of India Securities repayable before that year. These investments give us an yield of 1-6-0 to 3 per cent interest. A part of the loan amount is also earning at present interest at $1\frac{1}{2}$ per cent in the current account with the Mysore Bank. What additional contribution to Sinking Fund will have to be given on account of this loan and what the position will be after the discharge of the debenture loan in 1936 will be taken up separately.

14. *Work yet to be done.*—As soon as the compiled book figures for October 1934 are ready, the broad-sheet figures will be verified with the same. No difficulty is, however, anticipated in this respect as the figures from classified abstracts have been verified.

15. *An Incident.*—I have to refer in this connection to an incident which occurred during the floatation of the loan which deserves to be recorded for purposes of future guidance. One Hyderabad Broker applied on 13th October 1934, two days before the loan was open, for reservation of 12·4 lakhs of loan. This office accepted the subscription and wired to him to remit money immediately. But, subsequently during the same day telegraphic advices were received from Imperial Bank, Madras and other places

which showed that the loan would be oversubscribed and that it would not be equitable to reserve large blocks of the loan on behalf of one or two applicants. On the same day telegraphic intimation was sent to the broker that our acceptance was cancelled and that he could get only partial allotment like others. This the broker refused to accept saying that we were bound by the first telegram of acceptance and subsequently gave a lawyer's notice threatening legal action against us. His application with cheques and drafts were, however, received in this office on the 17th October 1934, *i.e.*, two days after the loan was closed. On the score of the late receipt of the remittance, the Law Department finally advised us to confirm the refusal of the applications and action has been taken accordingly.

Points to be noted for the Future.—This is the first Mysore Loan that has been heavily oversubscribed and it has brought out some points which require our attention for guidance in future.

(1) The incident referred to above indicates the need for not committing ourselves to reservation of anything for any one person and that every subscriber should be allowed to take his chance in the usual course.

(2) In all our future cash loans it is desirable to include a clause regarding partial allotment in the case of oversubscriptions.

(3) Our understanding with Banks for commission to be paid to them and the clause regarding brokerage in the loan notification should also contain explicit provision for payment only on the basis of the allotted amounts and not on the amount subscribed.

(4) Whether it is necessary in future to have differential allotments for local and outside applications is a question of policy that has to be settled in the light of the All-India Market that our loans are commanding.

(5) The date on which the loan is proposed to be opened should not be ordinarily a Bank holiday in any part of India. This time, all the Banks in the Calcutta Circle had holidays on the opening day and the subsequent days and this resulted in considerable correspondence with them later.

17. *Acknowledgments.*—I beg to bring to the special notice of Government the good work done by the staff of the State Loan Section of my office in this connection and also the very careful and methodical manner in which Mr. Y. Subramanyam, Assistant Comptroller in

charge of State Loan Section, has carried out his duties and promptly dealt with all work connected with the loan. I would suggest Government granting him a suitable sum or bonus say, half a month's pay in recognition of the good work turned out by him. I have already referred to the co-operation of the Superintendent, Government Printing, and wish only to add that the Treasuries and Banks have also given valuable assistance.

Conclusion.—The soundness of our credit in the British Indian Market is amply testified to by the phenomenal oversubscription to the Loan in the course of a couple of hours on the day of the opening of this loan, though the rate of interest offered was so low as $3\frac{1}{2}$ per cent and the investment would prove attractive and would hold a special appeal to Banks for their Reserve Funds and the general genuine investors of large blocks of cash holdings. The scrip is at present commanding a premium of more than Rs. 3, which is an eloquent tribute to the high confidence that the general investing Indian public have in our Loans.

I have the honour to be,

Sir,

Your most obedient servant,

A. N. RAGHAVACHAR,

Comptroller.

STATEMENT A.

Total subscription to the Mysore Government Three and a Half per cent Loan 1951-58 according to several units.

Treasury, Bank or other unit	No. of applications	Amount applied for	Amount allotted
		Rs.	Rs.
1. Imperial Bank of India, Bombay and its Branches.	58	53,82,200	12,00,000
2. Imperial Bank of India, Madras and Branches.	62	41,48,700	8,00,000
3. Comptroller ...	14	20,63,100	13,75,000
4. Imperial Bank, Bangalore.	13	1,18,000	1,18,000
5. State Huzur Treasury ...	15	1,80,400	1,60,400
6. Mysore District Treasury.	1	10,000	10,000
7. Bank of Mysore, Ltd., Bangalore and Branches.	13	18,18,000	12,87,900
8. Imperial Bank of India, Amritsar.	3	1,06,500	25,000
9. Imperial Bank of India, Morree.	1	2,000	2,000
10. Advance Scheme ...	27	21,700	21,700
Total ...	207	1,38,55,600	50,00,000

STATEMENT B.

List of subscribers of Rupees one lakh and above to the Mysore Government Three and a Half per cent Loan of 1951-58.

Name of Subscriber	Amount
	Rs.
1. Chartered Bank of India, Australia and China ...	3,96,000
2. Imperial Bank of India, Madras ...	3,73,000
3. Bank of Kolhapur ...	2,00,000
4. Mercantile Bank of India, Bombay ...	1,00,000
5. Central Bank of India, Ltd., Bombay ...	4,65,800
6. P. & O. Banking Corporation, Ltd., Bombay ...	1,60,000
7. Bank of Mysore, Ltd.	10,33,800
8. Canara Bank, Ltd. ...	4,32,800
9. Aiyar & Co. ...	2,36,000
10. Indian Bank, Ltd. ...	4,13,100
Total ...	38,10,500

STATEMENT C.

Applications grouped according to their sizes.

	Number	Amount
		Rs.
Applications for Rs. 100 ...	8	800
Over Rs. 100 and upto Rs. 1,000 ...	73	64,500
Over Rs. 1,000 and upto Rs. 10,000 ...	77	4,09,500
Over Rs 10,000 and upto Rs. 50,000 ...	26	6,15,200
Over Rs. 50,000 ...	23	39,10,000
Total ...	207	50,00,000

STATEMENT D.

Expenditure statement in connection with the Three and a Half per cent Mysore Government Loan of 1951-58.

Particulars	Amount		
	Rs.	a.	p.
Advance interest allowed	28,895	15	6
Brokerage and Commission	4,908	7	6
Advertisement charges	800	0	0
Printing and Stationery	300	0	0
Contingencies	400	0	0
Establishment charges	300	0	0
Total ...	35,604	7	0

STATEMENT E.

Details of bond forms printed for Three and a Half per cent Loan of 1951-58.

Denomination		No. of forms	Amount
	Rs.		Rs.
D	100 ...	1,000	1,00,000
E	500 ...	500	2,50,000
F	1,000 ...	1,990	19,90,000
G	5,000 ...	500	25,00,000
H	10,000 ...	200	20,00,000
K	25,000 ...	100	25,00,000
I	50,000 ...	25	12,50,000
J	1,00,000 ...	25	25,00,000
Stock Certificates	...	500	...
Total	...	4,840	1,30,90,000

WD 1268—GPB—250—1-3-35.